

22 March 1972

OFFICE OF THE DD/I

NOTE FOR THE DIRECTOR

State's draft response to the PFIAB report on economic intelligence contains two items which could seriously alter the way we do business.

First, the memo cites the NSCID which assigns primary responsibility for the production of Free World economic intelligence to State. State admits it has not been fulfilling this mission but reports that it is working with OMB to get more resources. As you know, we have been filling this gap and have ten times as many analysts as State has doing this job. I doubt that State can get anywhere near this number of qualified people. I believe we will continue to be the principal producer. I now regret that we did not push harder to have the new NSCID reflect the realities of the situation--we have the proven capability and should have the charter.

Second, State proposes the establishment of a new interagency committee like USIB to identify requirements and provide economic intelligence to support decision-making on foreign economic policy. (State does not limit the new committee's role to the Free World.) It again cites the NSCID as a basis for proposing that State chair and staff the committee. There is absolutely no mention of the new committee's relationship to USIB.

Ed Proctor

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State Department review completed